Stormwater SAW Grants: Building the Foundation for a Funding Source

Lindsey Kerkez, PE

MWEA Watershed & Stormwater Seminar
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Today’s Focus

- Community Engagement Strategies
- Stormwater Advisory Groups
  - Themes & Strategies
  - What works? What doesn’t?
- Comparison of Funding Options
  - Taxes vs Utility Fees
Stormwater Advisory Groups

• Funded by SAW grant

• Get the key stakeholders at the table and make them an integral part of the process:
  • Businesses
  • Schools/Higher Ed
  • Churches
  • Citizens
  • City Staff
Start at the beginning:
Contrast the size and budgets of infrastructure systems

100 miles of sewer
2,000 manholes
8-9 employees
Budget: ~$6 million/year
Revenue source: User Fee

118 miles of water main
984 hydrants
11 employees
Budget: ~$3 million/year
Revenue source: User Fee

65 miles of storm sewer
1,200 manholes
2,335 inlets
¼ dedicated employee
Budget: ?????
Revenue source: General Fund and street funds
Keep Emphasizing a Theme
Tell a story about how we depend on stormwater infrastructure

A drop of water on a residence goes through:
- a catch basin inlet
- 6 manholes
- ¼ mile of storm sewer

Then into detention pond...
Into a river and through several large culverts before leaving the city.

Evoke a sense of stewardship.
You are a part of a larger system.
Stay Engaged Between Meetings with Homework!

Mission Statements - Enhance the **safety**, **health**, and **quality of life** for the people of through the **cost-effective** management and maintenance of its stormwater infrastructure.
Reinforce the Personal Connection

Keep our lakes, rivers, and beaches safe
Bring it back to Quality of Life

Protect property from flooding

Encourage personal stories
Address Water Quality

Stormwater is a source of pollution
## Contaminants in Runoff

<table>
<thead>
<tr>
<th>Contaminant</th>
<th>Entire City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dirt (suspended solids)</td>
<td>750 tons</td>
</tr>
<tr>
<td>Phosphorus</td>
<td>7,000 lbs</td>
</tr>
<tr>
<td>Nitrogen</td>
<td>54,000 lbs</td>
</tr>
<tr>
<td>Lead</td>
<td>1,400 lbs</td>
</tr>
<tr>
<td>Zinc</td>
<td>3,500 lbs</td>
</tr>
</tbody>
</table>
Group Activity – Prioritization Exercise

- Strategic Planning
- Funding Mechanism
- Address Private Systems
- Public Education
- Promote Recreation
- Address Water Quality
- Adequate Maintenance
Aging Systems

Graphs are not as engaging...
A picture is worth a thousand words...
How to talk about an appropriate funding level?

• Proactive maintenance saves money over time.
• Identify the funding gap.
• Consider all asset categories.
• **125 miles** of pipe in the City

• Average age: **60 years**

• What does the City need to do?

  • Inspect and clean
  • Replace
  • Rehabilitate
  • Address undersized sewers

**Sewer Pipes**
Cleaning/Inspection (20yr / 5yr cycle)
- $150,000/yr

Replace Aging Sewers
- $275,000/yr

Rehabilitation (10-yr CIP)
- $485,000/yr

Address Undersized Pipes (flood control)
- $100,000/yr

Total: $1 million per year

Address each asset type and different line items to get a sense of magnitude.
Sewer Deterioration – No New Investment
Exploring Future Funding Levels
Exploring Future Funding Levels
Dedicated Stormwater Funding Allows Communities to Stretch Roads Budgets Further
Preliminary Rate Model

• Median impervious area on residential parcels = 1 Equivalent Residential Unit
• 1 ERU ~ 2,500 - 3,000 sq ft
• Apply to entire city to determine number of billing units
**How do we pay for it?**

Consider a homeowner with $100,000 taxable value home in a community that needs to raise $1M

<table>
<thead>
<tr>
<th>Method</th>
<th>Property Taxes</th>
<th>Fee/Utility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pros</strong></td>
<td>• Tried &amp; True</td>
<td>• Dedicated</td>
</tr>
</tbody>
</table>
| **Cons** | • Ballot referendum for increased taxes  
• Tax-exempt properties  
• Money can be redirected | • Equitable  
• Money cannot be diverted |

<table>
<thead>
<tr>
<th>Residential Cost</th>
<th>$11/month</th>
<th>$6/month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Revenue</td>
<td>64%</td>
<td>20%</td>
</tr>
</tbody>
</table>
How do others pay for it?

Stormwater Utilities emerging as most effective way to fund stormwater infrastructure:

~ 1,600 known stormwater utilities* in the United States

Avg. residential fee
~$5/month

* Source: 2016 Stormwater Utility Survey – Western Kentucky University
Thanks for your attention.
Questions?

Lindsey Kerkez
Lindsey.Kerkez@ohm-advisors.com